(c) The number of projects that have been actually financed during 2002-03 and 2003-04 are 21024 and 24747, respectively.

(d) The margin money assistance provided by the KVIC for setting up these industries during 2002-03 and 2003-04 are Rs. 193.71 crore and Rs. 265.74 crore, respectively.

Aurther Anderson's recommendations for KVIC

3712. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether it is a fact that Government have appointed Aurther Anderson with a view to revamp the organizational and functional restruc turing of KVIC;

(b) if so, whether he was submitted the report;

(c) the recommendations made by Aurther Anderson;

(d) what action his Ministry have taken on the recommendations made by Aurther Anderson;

(e) whether it is also a fact that Government constituted an expert committee for revamping of KVIC; and

(f) if so, the reasons for appointing this Committee when there was already some one looking into the entire gamut of issues of KVIC?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD): (a) and (b) Yes, Sir.

(c) and (d) M/s. Aurther Anderson India Pvt. Limited (AA), a consultancy firm was engaged by the Government to conduct a study on the organizational and functional restructuring of Khadi and Village Industries Commission (KVIC). AA submitted its report on 31 October 2000. The major recommendations made by AA and action taken thereon by the Government/KVIC are summarized in statement (See below).

(e) Yes, Sir.

(f) While Aurther Anderson was appointed to study and recommend organizational and functional restructuring of the KVIC, the terms of reference for the Expert Committee appointed on 01 December 2004 were much wider and included review of the existing structure, functioning and performance of the KVIC, review of the Khadi and Village Industries Commission (KVIC) Act, 1956 and recommending restructuring along with modifications, if any, in this statute and any other measure(s) considered necessary by the Committee to revamp the KVIC and to enable it to launch new appropriate programme/schemes. The Expert Committee submitted its report on 06 April 2005.

Statement

Details of major recommendations made by M/s. Aurthur Anderson (AA) on KVIC and action taken thereon

Recommendation	Action taken
Organizational Structure and Functions	
(a) Commission's Structure	
The present structure of the Commission needs to be changed. Besides Chief Executive Officer (CEO) and Financial Adviser (FA), the Head, Khadi and Village Industries (VI) programme should be in the "Board" (that is members of the Commission). Section 4(2) of the KVIC Act be modified accordingly	Not accepted.
Besides the Khadi & V.I. Expert Members, representatives from	
(i) Social Marketing,	
(ii) Rural marketing.	
(iii) Research Institute.	
(iv) Development Institute should be in the Commission.	
(b) Operating Structure	
(i) The organizational structure of Khadi and VI & other Directorates should be	With effect from 01 April 2002, various Directorates in KVIC have been

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changed so that they become end-to-end structures. That is, within Khadi, there should be some functionaries to look into khadi marketing, khadi quality control, finance issues, etc.	reorganized, to look into marketing, institutional capacity building, quality control, design issues, etc Further a new Directorate for khadi raw material has also been created
(li) The zonal offices need to be strengthened and should be a major provider technical and other services to KVI field activities.	Not accepted
Other Key Recommendations	
(i) Commission/Central Office needs to play role as a policy making body and delegate implementation to field offices.	(i) Since 2002-03 the KVIC has delegated financial and administrative powers in most areas to field offices The Central office of KVIC has now become broadly a policy making body.
(ii) KVIC needs to be a promotional and developing agency rather than a financial agency.	(ii) KVIC has discontinued giving direct loans to entrepreneurs. KVIC has also stepped up its activities in the following promotional areas. (a) Capacity building of khadi institutions (HRD) (b) Improving quality and nature of training courses in its training centres (c) Quality upgradation in khadi & VI sector through strategic collaboration with Indian Institute of Technology (IIT) and National Institute of Design (NID) (d) Marketing and publicity thrusts
(iii) Capacity building of KVI institutions- KVIC needs to build the capacities and strengthening of KVI institutions	- KVIC has identified institutions having best performance practices in KVI sector and representatives of other institutions are being sent to these institutions to learn from them and improve their performances/ practices.
(iv) Strengthening internal system of KVIC.	This recommendation has also been implemented by KVIC by (i) preparation of revised Conduct and Disciplinary Rules for KVIC employees; and (it) updating other regulations.

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	(iii) The State Director, KVIC has been made the single point nodal officer for all activities in the state.
Recommendation for Khadi	
(i) Recognize the Khadi Directorate, as end-to-end system.	This has already been implemented with effect from 01 April 2002.
(ii) Focus on product, process, research, technical support, updating institutions list and marketing.	This has also been implemented and Khadi Institutions have been categorized into 'A'. 'B', 'C & 'D' categories in terms of performance.
(iii) Capacity building of Khadi institutions themselves.	As a part of capacity building exercise, NID is giving design inputs to various Khadi institutions, region-wise.
Village Industries	
(i) Reorganize Village Industry Directorates to make them more responsible and functional.	(i) VI Directorate has been reorganized.
(ii) VI to be classified as 'Sunrise' 'Focus' and 'Mature'.	(ii) The old Direcotrates like Pulses and Cereals, Gur and Khandsari, Palm Gur, Fruit and Vegetables have been reorganized and brought under one Directorate of food-based industries.
(iii) Establishment of Rural Industrial Clusters with KVIC providing common facility.	(iii) The KVIC has launched the scheme of Rural Industries Service Centers (RISC) to provide infrastructural support and necessary services to the village industry units to upgrade their production capacity, and skills and promote markets.
Marketing	
(i) KVIC to function on brand promotion, advertising and other Market Promotion activities such as general suggestion and (ii) Reorganise KVIC marketing Section accordingly.	KVIC has set up a new marketing confederation in the name of Confederation for Promotion of Khadi and Village Industries (CPKVI) for giving thrust to marketing of KVI products. For promotion of marketing of organic food products, new brands by the name of "Desi Aahar" has been launched. Two new brands, namely, "khadi" and "Sarvodaya" have also been launched for promotion of khadi and other VI products.

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Capacity Building	
(i) KVIC to develop capacities of institutions including management system.	KVIC is aleady helping KVI institutions in this regard.
(ii) Technology transfer to institution,	KVIC has also introduced new technology of fabric 'stiffening' and softening through a project developed in collaboration with IIT, Delhi.
(iii) Policy advocacy.	
Internal Services	
(i) Reorganize Administration Directorate.	Sections in Administrative Directorates in KVIC have been reorganized in March 2002
(ii) Performance Management System	KVIC has been following the usual Performance Appraised System of Department of Personnel and Training through Annual Confidential Reports (CRs).
(iii) Strengthen audit and other financial control process.	A package developed by KVIC through NIC is already in place.
(iv) Strengthen IT.	The IT Directorate has already been strengthened. A new Information Technology Cadre has been created and Local Area Network (LAN) has been introduced in the Central Office of KVIC.

Funds under PMRY in Tamil Nadu

3713. SHRI N.R. GOVINDRAJAR: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) the number of unemployed youth provided employment under the Prime Minister's Rozgar Yojana during the last two years, State-wise;

(b) the amount of fund allocated to various States particularly Tamil Nadu under this scheme during the last two years, State-wise; and

(c) the details of the measures being taken by Government to make this scheme more effective in the country?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD): (a) The State-wise details of educated unemployed youth provided employment under the Prime Minister's Rozgar Yojana (PMRY) during the last two years, i.e., 2002-03 and 2003-04 are given in Statement-I. (See below)